

**REPORT 4**  
 (1215/52/IM)

**2010/11 DRAFT ANNUAL PLAN: KEY ISSUES  
 AND FUNDING REQUESTS (IN ADDITION TO ITEMS  
 COVERED IN THE CLIMATE CHANGE ACTION PLAN AND  
 COMMUNITY FACILITIES POLICY)**

**1. Purpose of Report**

This report provides for decisions on key issues and new funding requests raised during consultation on the 2010/11 draft Annual Plan.

**2. Recommendations**

It is recommended that the Strategy and Policy Committee:

1. *Receive the information.*
2. *Note that decisions relating to the draft Community Facilities Policy and the draft Climate Change Action Plan are covered in reports two and three and will be included in the final 2010/11 Annual Plan presented to Council.*
3. *Agree the variances (as per the Draft Annual Plan and outlined in appendix one) be included in the final 2010/11 Annual Plan.*

Variance	2010/11 \$000 (Opex)	2010/11 \$000 (Capex)	Out-year funding / comment
(a) Rugby World Cup Village	100	-	An additional \$50k of operational funding in 2011/12
(b) CBD Street Cleaning	225	-	The increase in operational funding in the out-years is \$450k per year with an extra variation during the Rugby World Cup of \$350k.
(c) Rugby World Cup Sculpture	-	350	-
(d) Maori Heritage Trail	-	37	-
(e) Newtown Park sportsfield upgrade	-	-	Budget: 37k of operational expenditure in 2011/12.
(f) Courtenay Place toilets upgrade	-	500	-
(g) Parking advisory signs	-	300	-

(h)	Waterloo Quay Roading improvements	-	-	Rephasing of work
(i)	Fences and guardrails	115	-	-
(j)	St James Theatre Charitable Trust	217	-	-
(k)	Lyall Bay Surf Club	-	300	-
(l)	Bus shelters	-	250	An additional \$100k from 2011/12
(m)	Basin Reserve Trust	-	112	-
(n)	Enviroschools	10	-	-
(o)	Strengthening the City to Sea Bridge	-	250	-
(p)	Repiling of Aro valley community hall	-	100	-
(q)	New signage for dog areas	-	40	-
(r)	Spatial Structure Plan	55	-	-
(s)	Development of a computerised model	-	180	-

Note: interest and depreciation of capital variances are not reflected in the table but are included in the projects and programmes budget attached to report 5.

4. *Agree to include the following funding additions (detailed in appendix two) and changes in the final 2010/11 Annual Plan:*

Variance	2010/11 \$000 (Opex)	2010/11 \$000 (Capex)	Out-year funding / comment
(a) Restoring the Golden Mile legal costs	-	277	-
(b) Aro Valley Community Hall insulation	-	10	-
(c) City Housing Upgrade programme	-	-	Rephasing of work
(d) Safety upgrade of Constable/Riddiford St park	170	500	-
(e) Liquor Bylaw signs / communication (provision)	25	75	-

5. *Note the response to prominent matters and funding requests raised during the consultation period as outlined in appendix three.*

6. *Note that submissions that related to operational matters such as maintenance or renewal works have been provided to relevant officers and will be considered alongside existing work programmes.*

### 3. Background

The 2010/11 Annual Plan represents year two of the 2009-19 Long-Term Plan. It aims to deliver a balanced programme of investment in the city's future, sustaining the city's points of difference while maintaining the breadth of services that are offered.

The 2010/11 Annual Plan:

- responds to the opportunities provided by Rugby World Cup 2011 to showcase the city and create an atmosphere that will benefit both residents and the economy for years to come
- takes steps to deal with the challenges presented by climate change, by reducing greenhouse gas emissions and preparing to deal with its impacts
- maintains existing facilities and infrastructure in good and safe condition
- outlines investment in community facilities in the city and suburbs.

Aside from these key investments, it is essentially a business-as-usual plan that continues with the broad range of high-quality services that make Wellington such a great place to live and do business. Many of the funding variances are to strengthen existing facilities and infrastructure.

## **4. Discussion**

The Council received 487 submissions. While most submissions commented on the proposed variances (see appendix one) or business-as-usual programmes, a number sought new funding. This report provides for consideration of those and other changes that emerged.

Matters that relate to the draft Community Facilities Policy and the draft Climate Change Action Plan are discussed separate reports.

### ***4.1 Issues that were raised***

Issues that were raised on the draft Annual Plan 2010/11 fall into four broad categories:

#### *i. New funding requests that officers recommended*

These are discussed in appendix two.

#### *ii. Other funding requests or actions that officers recommend are declined*

These are outlined in appendix three.

#### *iii. Operational matters within existing levels of service*

Some submitters made requests relating to relatively specific or operational type matters that do not affect levels of service. These have been provided to the relevant business units who will review the information and consider any specific requests as part of existing renewal and maintenance programmes; their relative contribution towards Council's overall outcomes; and whether there is sufficient flexibility within the work programmes to accommodate them. In all cases a response will be provided to submitters.

*iv. Matters for further consideration*

Other submissions raised issues that require further exploration or are being considered in parallel to the planning process. The option to purchase land on Flagstaff Hill is one example. The local Residents' Association has asked that the lawn area at 16 Terrace Gardens be purchased. Officers expect to report to Council in late June 2010 on this request in order to obtain a decision on the site by the end of this financial year.

A heritage audit of the Mt Victoria area was requested by the local Residents' Association. Officers are yet to scope and cost the work. This will be undertaken and reported back as part of the heritage work programme at a later stage.

The Disability Reference Group sought the introduction of performance measures to monitor a range of accessibility outcomes. Officers will meet with the group to work through the appropriateness and measurability of activities to develop a meaningful framework in this area.

*v. Minor wording changes*

Some submissions requested minor wording changes to the text of some activities - where these provide context and detail without adversely adding to the length and readability of the activity – the changes will be made. For example the Port Nicolson Settlement Block Trust has offered support to update the maori engagement section.

Changes to the wording of some performance measures are also proposed as follows:

*Activity 2.3 Water network*

Current measure	New measure	Rationale
<i>No more than 19.5% of water in the network is unaccounted for.</i>	<i>No more than 16% of water in the network is unaccounted for in 2010/11 and no more than 15% in 2011/12.</i>	This reflects the latest data from Capacity on unaccounted water from the network: currently at 17%.

*Activity 7.2 Transport networks*

Current measure	New measure	Rationale
<i>The number of road casualties continues to fall from 2009/10 and previous levels (vehicles, pedestrians, and cyclists).</i>	<i>The number of road casualties continues to fall from 2009/10 and previous levels (vehicles, <u>motorcycles</u>, pedestrians, and cyclists).</i>	The new measure will include data on motorcycles.
<i>Average peak travel times between the CBD and suburbs (Miramar, Karori, Island Bay, Johnsonville) are maintained or improved</i>	<i>Average peak travel times between the CBD and suburbs (Miramar, Karori, Island Bay, Johnsonville) are <u>at least</u> maintained.</i>	Minor wording change to help with clarity – no change in actual performance target.

## **5. Conclusion**

This report provides for consideration of the new funding requests and key issues that were raised during the DAP consultation process.

## APPENDIX 1

<b>2010/11 Variances included in the DAP</b>	<b>\$</b>
<p><b>Rugby World Cup Village</b></p> <p>As part of our bid to host matches for the Rugby World Cup 2011, Wellington made a commitment to construct a Rugby World Cup Village on the waterfront. The village is to be the focal point – the place to soak up the atmosphere of the event, meet the players, meet friends, purchase memorabilia and find out what to do or where to go, and at the same time provide a uniquely New Zealand experience.</p> <p>Funding is proposed to develop the village around the Wharewaka, which is currently under construction on the waterfront. The combination of Rugby World Cup festival activity and the Wharewaka’s outstanding cultural dimension would provide a strong point of difference for Wellington.</p>	<p>Budget: \$100,000 operational expenditure in 2010/11 and an additional \$50,000 in 2011/12.</p>
<p><b>CBD Street Cleaning</b></p> <p>As more people live and use the CBD, the demand for street cleaning is exceeding our current cleaning capacity. We are proposing to spend an additional \$225,000 in 2010/11 (increasing to \$450,000 per annum in future years) to meet this increased demand.</p> <p>We are also proposing to invest an additional \$350,000 to meet the peak demand that will be experienced during Rugby World Cup 2011 events (2011/12).</p>	<p>Budget: An additional \$225,000 of operational expenditure in 2010/11 with an extra \$450,000 per annum thereafter.</p> <p>An extra one-off \$350,000 variation during 2011/12 for Rugby World Cup 2011.</p>
<p><b>Rugby World Cup Sculpture</b></p> <p>Weta Workshop – Wellington’s iconic and award winning special effects company – embodies everything that is great about Wellington. That’s why we propose to work with them in the production of a sculpture as a centrepiece of the city’s association with the Rugby World Cup 2011. The sculpture is planned to be placed on Wellington’s waterfront during the</p>	<p>Budget: \$350,000 capital expenditure and \$11,000 operational expenditure.</p>

<p>festival. It would be a popular drawcard for visitors and has the potential to provide an enduring legacy for the event.</p>	
<p><b>Maori Heritage Trail</b>  The Maori Heritage trail – Te Ara o Nga Tupuna (the pathway of our ancestors) highlights sites that are important to Wellington’s history and Maori culture. We are proposing to enhance the trail by providing interpretation panels at existing sites where pou whenua and waharoa have been installed. The enhanced trail will educate Wellingtonians and international visitors about tribal stories and legends that make Wellington unique.</p>	<p>Budget: \$37,000 of capital expenditure in 2010/11.</p>
<p><b>Newtown Park sports field upgrade</b>  Newtown Park has been identified as a training venue for Rugby World Cup 2011. To comply with host obligations concerning size and use of training venues the Newtown Park sports field requires additional work, including installation of rugby posts and extending the length of the playing field. This work is in addition to our existing commitment to create an artificial training surface adjacent to Rugby League Park in Mt Cook.</p>	<p>Budget: \$37,000 of operational expenditure in 2011/12.</p>
<p><b>Courtenay Place toilets upgrade</b>  The current facilities in Courtenay Place are not coping with the amount of use they are receiving, particularly during the evening. As a result they are sometimes unhygienic despite regular cleaning. The amount of vandalism and abuse they sustain means that they are also not standing up to expected standards so need to be upgraded.  As Courtenay Place will be used by thousands of visitors during Rugby World Cup 2011, appropriate facilities will need to be in place.</p>	<p>Budget: \$500,000 capital expenditure in 2010/11.</p>
<p><b>Parking advisory signs</b>  It is proposed that electronic signs be installed on key transport routes to inform drivers about availability of vacant parking spaces in publicly accessible car parks. This would help drivers to head directly to the most convenient park with available spaces, reducing the congestion, and emissions that would otherwise result from drivers looking around for parks.</p>	<p>Budget: \$300,000 of capital expenditure in 2010/11 (subject to gaining external funding).</p>
<p><b>Waterloo Quay roading improvements</b>  Waterloo Quay is an important gateway to our city welcoming the large number of cruise ships entering our harbour. We have previously outlined our plans to improve Waterloo Quay and budgeted to do this work over three years. This work is part of a wider plan to develop and implement improvements for traffic and freight access to CentrePort and the ferry terminal whilst addressing future traffic growth on the Quays route.  With an increase in cruise ships and visitor numbers expected to come to Wellington for the Rugby World Cup 2011 we</p>	<p>Budget: rephasing of existing work programme/budget.</p>

propose bringing the roading improvements programme/budget forward to ensure the work is advanced in time for the event.	
<p><b>Fences and Guardrails</b></p> <p>The city's topography means that access to a significant number of properties is through inclined footpaths and steps. We own 117km of handrails protecting these accesses. We recently clarified an approach to the maintenance of public and joint ownership access ways which has meant the demand for reactive maintenance/repairs to damaged rails has increased. This proposed funding allows us to meet obligations as a responsible property owner.</p>	Budget: \$115,000 of operational expenditure in 2010/11 and out-years
<p><b>St James Theatre Charitable Trust</b></p> <p>The St James Trust manages and promotes the St James Theatre and the Opera House as venues for cultural and artistic events. It has a responsibility to maintain both venues in good condition. The Trust's income has been sufficient to cover operating expenses but not depreciation, raising concern over its ability to fund asset maintenance and renewals. The Trust has carried out an asset condition survey and, based on that survey, is developing an asset management plan for both venues. Funding is proposed for work identified in the survey as being necessary during 2010/11.</p>	Budget: \$217,000 of operational expenditure in 2010/11.
<p><b>Lyall Bay surf club</b></p> <p>The Lyall Bay Surf Club has plans to build a new clubhouse. We're proposing to provide funding support for public toilets to be incorporated into their new building. We will consider ongoing funding support for Lyall Bay Surf Club to provide a surf life saving service at Lyall Bay and other Wellington beaches as part of next year's annual plan process (2011/12).</p>	Budget: \$300,000 of capital expenditure for 2010/11
<p><b>Bus shelters</b></p> <p>Across the city there are 1,300 bus stops, of which 450 have shelters. Our long-term target is to install bus shelters on all high use bus stops on city-bound routes. Currently, only 300 city-bound stops have shelters.</p> <p>Towards this target we propose to install shelters at 50 of the highest priority sites in the next two years. After that, over the next decade we propose to keep installing new shelters in conjunction with bus priority measures on key routes (on average 10 per year).</p>	Budget: \$250,000 of additional capital expenditure for 2010/11 and 2011/12, and \$100,000 thereafter
<p><b>Basin Reserve Trust</b></p> <p>The Basin Reserve is New Zealand's premier test cricket venue. To maintain that status, the Basin Reserve Trust needs to maintain the ground and its buildings to international standards. The Council owns most of the Basin Reserve buildings and funds depreciation, but has not allocated any budget for capital works over the next decade.</p> <p>The Trust has carried out an asset condition survey and is completing an asset management plan. Funding is proposed for capital works identified by the survey as being necessary during 2010/11.</p>	Budget: \$112,000 of capital expenditure for 2010/11.



<p><b>Enviroschools</b></p> <p>The Enviroschools programme aims to engage young people to create sustainable schools and communities. Students and teachers work with an Enviroschools facilitator as they plan and take action to move towards sustainability. Examples of the types of projects undertaken by Enviroschools students include planting/restoration projects, waste and energy audits, and inquiry learning programmes.</p> <p>Enviroschools is a nationwide programme with more than 600 schools taking part. Our support complements that of other local authorities in the region and our programmes that aim to raise awareness of conservation and sustainable practices.</p>	<p>Budget: \$10,000 of operational expenditure in 2010/11.</p>
<p><b>Strengthening the City to Sea Bridge</b></p> <p>A recent structural assessment of the iconic City to Sea Bridge, which links the Civic Square to the waterfront, has identified the need for remedial work and earthquake strengthening to meet current standards.</p>	<p>Budget: \$250,000 of capital expenditure in 2010/11.</p>
<p><b>Repiling of Aro Valley Community Centre</b></p> <p>The Aro Valley Community Centre's foundations have settled unevenly, causing damage to the floor structure. Over time, this will get worse and eventually undermine the structure of the building. Funding is proposed to repile the building and add floor bracing.</p> <p>Note the additional funding request and officer recommendation as outlined in appendix two, item B).</p>	<p>Budget: \$100,000 capital expenditure in 2010/11.</p>
<p><b>New signage for dog areas</b></p> <p>During 2009 the Council's Dog Policy was reviewed. As a consequence new signage needs to be erected to inform dog owners of the locations of dog exercise areas, areas where dogs are prohibited, and places where dogs are permitted off the leash or allowed at specific times.</p>	<p>Budget: \$40,000 capital expenditure for 2010/11.</p>
<p><b>Wellington 2040</b></p> <p>We are developing a strategic framework for the growth and enhancement of Wellington's city centre for the next 30 years. The aim is to develop a vision of what type of central city Wellingtonians want, and guide investment and development to achieve that vision.</p> <p>The framework will cover the role of the central city relationship with the waterfront, including the built environment, and issues to do with transport and infrastructure. It will also deal with how the central city can work as a place to work, live, do business and hold events.</p> <p>Initial public feedback was sought during 2009 and further work is continuing during 2010/11.</p>	<p>Budget: Spatial Structure Plan - \$55,000 of operational spending in 2010/11.</p> <p>Budget: Development of a computerised model - \$180,000 of capital spending in</p>

	2010/11.
<p><b>Alterations to Adelaide Road project</b></p> <p>Over the past couple of years the Council has developed with the community a framework to strengthen public transport and allow for more intensive development along the northern section of Adelaide Road.</p> <p>As part of this project the Council anticipated receiving funding from NZTA towards road widening work. They have since aligned their funding with the Government's priority on roads of national significance - although funding is available for safety and bus lane improvements components of the project.</p> <p>Rather than meet the shortfall from borrowings, the Council has sought to achieve similar outcomes with less – by reducing on-street car parking on one side of the road and introducing a bus lane in both directions that provides a shared bus and cycle lane.</p> <p>Other features include more pedestrian crossings to improve transport access, a landscaped median, increased street trees, and upgraded reserves to improve the look and feel of the area.</p> <p>A concept design is being developed with the objective of delivering these outcomes within the existing road corridor, so the Council no longer anticipates the need to acquire land, except to facilitate improvements at the John Street/Riddiford Street intersection.</p> <p>An 18-metre maximum building height has been proposed for the area through District Plan change 73. Adelaide Road is expected to come under increasing development pressure as the city's population increases. The framework seeks to manage change to ensure it is positive for the local community and the wider city.</p>	<p>This variance reflects loss of external funding from NZTA for this project.</p>

**APPENDIX 2**

Key issues: recommended funding requests / changes for 2010/11 Annual Plan	\$
<p><b>a) Restoring the Golden Mile – legal costs</b>            The long-term plan includes provision of \$11.135m for the Golden Mile project which includes construction of two-way bus lanes through Manners Mall and shared space in lower Cuba Street as well as other public space and transport improvements.</p> <p>Following public consultation the project has been the subject of extensive legal challenge. This has resulted in substantial costs for Council. These legal costs have been applied to the project budget potentially impacting on the original project scope and its evaluation. Funding is now sought to meet these costs to ensure the original project scope can be achieved.</p> <p>A total of \$277k has been incurred including:</p> <ul style="list-style-type: none"> <li>• High Court Judicial Review - \$40.7k</li> <li>• Appeals to Court of Appeal and Supreme Court - \$39.4k</li> <li>• Environment Court Appeal - \$177.1k</li> <li>• High Court Appeal and Judicial Review - \$4.3k with a further \$15k estimated for resolution of the current High Court Action.</li> </ul> <p>The value of these costs is comparable to either of the following budgeted items:</p> <ol style="list-style-type: none"> <li>a) Information and safety campaign to advise pedestrians and road users of the revised traffic flows and road use for the area from Willis/Mercer Street intersection to Manners/Taranaki/Courtenay intersection; and post implementation evaluation of the revised public transport network and urban design environment.</li> <li>b) All trees, tree pits, tree guards, under tree planting, rain gardens, benches, bike stands, bins, trolley bus pole/lighting column attachments for CCTV camera, banners etc, additional pedestrian lighting in the whole of the project area (including lower Cuba Street)</li> </ol> <p>The project is funded over 2009/10 - 2011/12. Additional funding of \$277k is recommended for 2010/11 to ensure the full project can be delivered and evaluated.</p>	<p>Budget: \$277,000 of capital expenditure in 2010/11</p>
<p><b>b) Under floor insulation for the Aro Valley Community Hall</b>            The Aro Valley Community Council has requested that additional work be done as part of the planned work to repile the hall and strengthen the floor beams. They have requested the installation of a new 'sturdier' floor and under floor insulation to improve the usability of the hall. The project includes funding to replace the floor and this will be done as part of the scheduled work. Under floor insulation is currently not budgeted and will cost \$10k to include. Insulating the floor will provide added warmth and help reduce energy consumption.</p>	<p>Budget: An additional \$10k of capital spending for 2010/11.</p>

<p><b>c) City Housing Upgrade Programme Changes</b></p> <p>The proposal is for the City Housing budgets to be revised to account for the timing changes to the Housing Upgrade programme.</p> <p>The Housing Projects' delivers both the operational day to day running of one of NZ largest social housing providers as well as the delivery of an Upgrade Programme as agreed in the Deed of Grant with the Crown. (\$220m over a 10 year period)</p> <p>The Upgrade Project is in its second year of delivery of a 20 year programme of work. During the second year, a review of the programme was carried out.</p> <p>Newtown Park construction has been bought forward from July 2011 to February 2011. Berkeley Dallard Apartments moved from October 2012 to February 2014. Rintoul St Villas were moved from July 2023 to July 2014. Kotuku Flats were moved from July 2011 to July 2012. The revised programme ensures that the annual capital spend is in line with the annual grant funding.</p> <p>The timing change to Newtown Park will reduce income in 2010/2011 due to rental losses associated with the properties being held for upgrade, but will be managed within the overall programme. A review of the Relocation Strategy to optimise occupancy, while still meeting tenant relocation requirements, is underway.</p> <p>Community Action budgets were adjusted to account for the operation and capital expenditure allocation requirements (within their annual cap). Depreciation and Interest have been adjusted in line with the revised programme. As City Housing is ring fenced, any changes to the programme does not impact on rates.</p> <p>It is recommended that these adjustments be approved, and that wording be updated in the annual plan to reflect the revised work programme.</p>	<p>That the revised programme be noted.</p>
<p><b>d) Safety upgrade of Constable/Riddiford Street park</b></p> <p>As part of working closely with the Newtown Community Council officers committed to carrying out a safety audit of those areas identified as 'hot spots' and propose any changes that would improve safety outcomes.</p> <p>The safety audit has been completed and the park at the corner of Constable and Riddiford Streets has been identified as a 'crime attractor.' This is due mainly to the design of the playground area and its fencing, position of the seating, poor lighting and overgrown trees shading the park.</p> <p>It is proposed the park be re-designed to incorporate the best practice for safer design including improved lighting, relocation of existing playground equipment, improved seating to incorporate a wider use of the park which will improve safety. It would also</p>	<p>Budget: \$170k,000 of operational expenditure in 2010/11 (comprising asset write off \$140,000, depreciation \$14,000 and interest \$16,000), and \$500,000 capital expenditure in 2010/11.</p>

<p>include the redesign, to current standards, of the existing toilet block to meet increased need in the area of the park. The purpose of this proposed work is to improve safety outcomes and reduce problems with people using the park in a way that lowers perceptions of safety.</p> <p>This proposal is to bring the upgrade of the park and re-building of the toilets forward on the council programme.</p> <p>It is proposed the cost of redevelopment of the park to bring it to the required standard including design costs will be \$15k (opex). The cost of rebuilding the toilets on the current site to current design standards is \$500k (capex).</p> <p>It is recommended that funding be approved to allow for the re-development of the park and the replacement of the existing toilet block to improve safety outcomes and increase perceptions of safety.</p>	
<p><b>f) New Liquor Bylaw signs</b>  A new city-wide liquor bylaw is currently being considered and it is recommended that funding be allocated provisionally to allow for signage to be erected to communicate the bylaw.</p> <p>If agreed, the bylaw will come into effect in August 2010. Signage has been used to publicly notify the details of the existing bylaw and an extension of the area covered by the bylaw will require the placement of additional signage.</p> <p>It is recommended that additional funding of \$75k (capex), and \$15 (opex) be approved provisionally to increase the level of signage around the city and to communicate the new bylaw.</p>	<p>Budget: \$15,000 of operational expenditure in 2010/11, and \$75,000 of capital expenditure in 2010/11.</p>

**Other funding requests or actions that officers recommend are declined****a) Removal of fluoride from water supply**

The submission from Fluoride Action Network and others argued that fluoride was: harmful to some individuals; lacked informed consent; and requested Council remove fluoride from the water supply.

The current advice and information from the Ministry of Health is that there are no significant health concerns associated with water fluoridation at the optimal level for dental health: 0.7 to 1.0 ppm. The Council follows the guidelines set down by the Ministry of Health.

Fluoride is added to the water supply for dental health reasons. The major beneficiary of fluoride addition is younger children. The natural level of fluoride in Wellington's water is around 0.1 milligrams per litre or parts per-million (ppm). The Ministry of Health recommends that water suppliers adjust the amount of fluoride in drinking water to between 0.7 and 1.0 ppm.

The addition of fluoride is made at the Greater Wellington Regional Council (GWRC) water treatment facilities at the Te Marua, Wainuiomata and Waterloo treatment plants.

The GWRC carried out a review of the fluoridation of the water supply in 1993 and at that stage recommended that the bulk supply continue to be fluoridated.

The process for water extraction, treatment and distribution would make it almost impossible to have a separate supply to one city only without considerable infrastructure expense. Therefore any changes are most efficiently made on a regional basis.

Submissions have also been made to the GWRC with the request that they approach other Councils in the region with the purpose of agreeing to a review of fluoridisation practices.

The GWRC is the most appropriately authority to facilitate a review of fluoridisation and Wellington City Council will welcome the opportunity to participate in any GWRC led review of current practice on a regional basis.

Officers will add text to Council's website (water supply page) to inform residents that fluoride is added to Wellington's water supply in accordance with Ministry of Health guidelines.

**b) Enclosing the inlet pump station at Moa Point**

The Moa Point Wastewater Treatment Community Liaison Group (CLG) and Miramar Golf Club have requested that a building be erected over the Moa Point inlet pump station (IPS) as a solution to odour issues.

The option recommended in the submissions offers no guarantee that the odour issues will be addressed. There is a perception that the IPS is an outdoor type of pumping station with all ten pumps exposed when carrying out maintenance thereby causing odour. The fact is that the IPS pumps are split into two separate fully enclosed chambers each with five pumps.

Maintenance activities do require the respective chamber covers to be removed for short periods and over the 12 years of operation numerous improvements have been made to reduce the amount of time that the IPS chamber covers are open to the environment.

Recently, procedures were amended to ensure the IPS chamber covers would only be removed within defined wind parameters.

Enclosing the IPS is not necessarily the answer. The enclosure would have to be opened to ensure the safety of the contractors undertaking maintenance and fat, oil and grease (FOG) removal in an environment that was likely to contain hazardous hydrogen sulphide and other gases.

An odour technical group has been set up by Council to continually trial further improvements to reduce any possible odour emissions. This process will ensure that odour is eventually reduced to a level as to be seen as having been eliminated. The CLG technical advisor is a key member of the odour technical group and fully supports this process as a proactive way forward.

The CLG technical advisor has had a substantial amount of input into improving the current procedures in the odour management plan OMP which has been approved by the CLG. This condition has been met by the contractor and the Council.

An estimate of the enclosure contained in a UWI report dated December 2008 put the cost at approximately \$1.1M. The UWI report also stated that an enclosure over the IPS could not guarantee the elimination of all odour problems at the IPS. The UWI estimated cost is greater than that contained in the submission due to the requirement for the building to have its own odour scrubber system.

It is recommended that the proposal be declined and that officers continue to work with the CLG and its technical advisor to reduce possible odour events at the IPS.

**c) Speed up artificial sportsfield roll-out and development of Wakefield Park**

The Wellington Rugby Football Union and other submitters requested that the artificial sportsfield programme be brought forward to meet demand from sport clubs. Support for the development of Wakefield Park was also made by a number of submitters.

An amendment was made to the funding schedule as part of the DAP deliberations in March to bring forward funding for planning and consent processes for each artificial sportsfield to the previous year to allow for construction to occur in the year for when they are scheduled, and it is recommended that this amendment be carried through to the final plan. No further changes to artificial sportsfield programme schedule are recommended.

The artificial sportsfield upgrade programme is being worked through and Wakefield Park is being considered as part of that work. The results of this work will be presented back to committee and communicated to clubs in the near future.

**d) Request to reinstate heritage grants to previous levels**

The Historic Places Trust has requested heritage grants be reinstated to previous levels and that Council develop policies to introduce a wider range of incentive support for heritage property owners as they face higher costs than more modern buildings.

The proposed reductions were made as part of the long-term plan process in the context that in addition to grants: the Council preserves the city's heritage through the District Plan; restoration advice; the maintenance of our own heritage assets; and provides waivers on some resource consent fees for listed heritage buildings to acknowledge heritage listing can impose costs on building owners. The heritage grants have also been undersubscribed at times. It is recommended that the additional funding be declined for 2010/11 but considered further as part of the 2012-22 long-term plan.

Submissions were also received advocating for heritage assessments of the Mt Victoria area. Officers will undertake scoping work in 2010/11 for this area and any additional funding for heritage audits will be included as part of the 2011/12 draft annual plan deliberations if required.

**e) Bringing forward Otari-Wilton Bush Landscape Plan**

The Wellington Botanical Society requested that additional detail be provided in the final plan to outline key capital projects for Otari-Wilton Bush in 2010/11, and another submitter sought early implementation for key elements of the Otari-Wilton Bush Landscape Plan and the removal of the adjacent bowling club for a new entrance to the park.

Additional detail relating to the capital programme for Otari-Wilton Bush (for 2010/11) will be included in the final annual plan. Officers do not recommend amending the schedule of projects for the Otari-Wilton Bush Landscape Plan and there is no expectation that the land leased to the Bowling Club will become available in short to medium term.



**f) Additional funding for the Wellington Zoo Trust**

The Zoo has requested an additional \$90k operating funding for 2010/11 in addition to the current \$2.7 million operating grant it already receives from Council. This is in response to the ongoing issue of salary adjustments for its staff.

Zoo expertise is found in a small pool of people across the world and it is important to the success of Wellington Zoo to have skilled and motivated staff. Staff attraction, development and retention are important for the Zoo Trust. The Trust undertakes a job sizing exercise yearly to ensure appropriate salary structures are in place for its staff and will continue to ensure its staff are given the highest priority. The Trust recognises that investment in this strategic element is not to the ideal level required and this needs to be addressed as the Zoo grows and develops.

The total staff costs for the next three years show a small increase as the Zoo tries to address inconsistent salary relativities, provide for pay increases and invest in key areas of the business such as fundraising, commercial development, customer service and visitor experience. Without the proposed additional funding it is unlikely that the Zoo will be able to maintain salaries at market rates and be able to address inconsistent salary relativities to the level required.

For the 2010/11 year, all grant funded CCOs were asked to consider what services could be foregone if their annual operating grants were reduced by 5%. The Zoo stated that it is a fixed cost business with 95% of its costs tied to caring for the animal collection and running the business. Specifically the Zoo stated that a reduction in operating funding would reduce the amount available to spend on increasing visitor numbers, which a pro bono financial model prepared by Deloitte concluded was the best way of reducing the Trust's dependence on Council. The Zoo currently receives \$2.7 million a year in operational funding from the Council, as well as project costs arising from organisational allocations and asset ownership costs (interest and depreciation) for the Zoo buildings and exhibits.

The Zoo has suggested additional funding of \$90-100k, to provide for a 3% increase in staff salaries; officers note that 3% is higher than the current level of CPI and that the Zoo draft SOI for the 2010/11 financial year includes an increase of 2.3% in Employee Costs and at this level the Zoo are projecting a small surplus for the 2010/11 financial year of \$2k.

Officers note from the Zoo's annual reports that staff costs have risen from \$2.1 million in 2004, to \$3.1 million in 2009, with forecasts for 2010 and 2011 of \$3.3 million and \$3.4 million respectively. In addition, staff numbers have risen from 38 in 2004 to over 62. Clearly the Zoo's strong performance of recent times reflects this investment in staff, and officers also note the susceptibility of these staff to higher salaried offers from overseas. It should also be noted that the Zoo has achieved aggregate operating surpluses of \$480k over the last three years which has enabled it to strengthen its Balance Sheet, after showing negative equity in the first few years after it was settled. In addition, as at 31 March 2010, the Zoo is showing a 2009/10 year to date operating surplus of \$157k.

In December 2006 Council approved the Zoo Capital Plan (ZCP) and in doing so resolved that no additional operating funding increases be awarded to the Trust on the basis that the ZCP would deliver a net \$3 million operating contribution to the Zoo over the course of the ZCP.

The Zoo continues to perform strongly, aligning itself with Council outcomes and enhancing its own and Wellington's reputation with locals and visitors. Nevertheless officers consider that the Zoo should in the first instance seek to re-prioritise its resources and live within its existing budgets in accordance with the Council resolution when funding for ZCP was approved and seek to increase visitor numbers and in this respect Officers note that the Zoo will be part of the Hop on Hop off bus initiative across the Council's visitor attractions. Accordingly officers do not recommend an increase in the Zoo's operating funding at this time.